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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

2015 FEB 13 P 2:53 DOCKETED

AZ CORP COMMISSION
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FEB 13 2015

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DOCKET NO. W-03511A-14-0304

PROCEDURAL ORDER
(Sets Procedural Conference)COMMISSIONERSSUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE**ORIGINAL**IN THE MATTER OF THE APPLICATION FOR
NAVAJO WATER CO. INC. FOR THE
APPROVAL OF A RATE ADJUSTMENT.**BY THE COMMISSION:**

On August 15, 2014, Navajo Water Co. Inc. ("Navajo") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase, based on a test year ended June 30, 2014 ("Rate Application").

On August 26, 2014 and September 10, 2014, Navajo filed supplements to the Rate Application.

On September 10, 2014, the Commission's Utilities Division Staff ("Staff") filed a Letter of Deficiency.

On September 30, 2014, Navajo filed an additional supplement to its application.

On October 10, 2014, Staff issued a letter indicating that Navajo's Rate Application had met the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103 and classifying Navajo as a Class D utility.

On October 20, 2014, Brooke Utilities Inc. ("Brooke") filed an Application for Intervention.

On October 28, 2014, Navajo filed its Opposition to Brooke's Application for Intervention.

On November 3, 2014, Brooke filed its Response to Navajo's Opposition.

On November 7, 2014, a Procedural Order was issued. The Procedural Order stated that based on Brooke's filings, the record was not clear whether Brooke would be directly and substantially affected by this rate case proceeding, and that without more specific information from Brooke, it could not be determined whether a basis exists for granting Brooke intervention. The

1 Procedural Order allowed Brooke, if it wished any further consideration of its Application to
2 Intervene, to file a supplement to its Application to Intervene, no later than November 17, 2014, that
3 specifically indicated how and why the terms and conditions of the May 31, 2013 Stock Purchase
4 Agreement ("Stock Purchase Agreement") between Brooke and Navajo's parent JW Water Holdings,
5 LLC ("JWWH") referenced in Brooke's Application for Intervention and Navajo's Opposition
6 thereto, in conjunction with Navajo's current rate case filing, would directly and substantially affect
7 Brooke.

8 On November 14, 2014, Brooke filed a Request for Extension to File Supplemental
9 Application to Intervene, requesting a revised filing deadline of November 24, 2014.

10 On December 19, 2014, Staff filed its Staff Report on Navajo's rate application.

11 On December 23, 2014, a Procedural Order was issued extending the deadline for Brooke to
12 file a supplement to its Application to Intervene to January 6, 2015. The Procedural Order stated that
13 if Brooke is granted intervention, Brooke must either be represented by counsel, or must file evidence
14 of a board resolution authorizing a specifically named officer of the corporation to represent it.

15 On January 6, 2015, Brooke filed a Supplemental Application for Intervention.

16 On January 12, 2015, Navajo filed its Response to Supplemental Application for Intervention.

17 Also on January 12, 2015, Staff filed its Opposition to Intervention.

18 On January 26, 2015, counsel for Navajo filed a Notice of Change of Address.

19 On February 2, 2015, a Procedural Order was issued granting intervention to Brooke effective
20 upon the filing of a notice of appearance by counsel or the filing of evidence of a board resolution
21 authorizing a specifically named officer of the corporation to represent it, which demonstrates
22 compliance with the requirements of Arizona Supreme Court rules. The Procedural Order stated that
23 while Brooke is not a customer of Navajo, Navajo does not dispute that Brooke is a party to a
24 voluntarily negotiated private Stock Purchase Agreement with JWWH; does not dispute that the
25 Stock Purchase Agreement specified the test year pursuant to which Navajo would file a rate case;
26 and does not dispute that due to the terms of the Stock Purchase Agreement, the purchase price of
27 Navajo will be affected by the outcome of this proceeding. The Procedural Order stated that
28 assuming Brooke's alleged facts in regard to the Stock Purchase Agreement to be true, Brooke has

1 demonstrated that it will be directly and substantially affected by these proceedings, and that based
2 on its claim that it will be affected by the outcome of this proceeding, Brooke would be allowed to
3 intervene and participate in this ratemaking proceeding in a manner that does not unduly broaden its
4 scope. The Procedural Order stated that this is not a complaint proceeding, and Brooke will not be
5 allowed to litigate its contractual dispute with Navajo's shareholder in this rate proceeding. The
6 Procedural Order further stated that any dispute between Brooke and JWWH pertaining to their
7 private agreement is outside the scope of this rate proceeding. The February 2, 2015 Procedural
8 Order granted intervention to Brooke effective upon Brooke's filing of a notice of appearance by
9 counsel or the filing of evidence of a board resolution authorizing a specifically named officer of the
10 corporation to represent it, which demonstrates compliance with the requirements of Arizona
11 Supreme Court Rule 31(d)(11).

12 On February 5, 2015, a Procedural Order was issued correcting the incorrect rule citation in
13 the February 2, 2015 Procedural Order to the applicable rule, Arizona Supreme Court Rule 31(d)(28).

14 On February 10, 2015, Brooke filed a Notice of Filing Board Resolution Authorizing
15 Representation to which was attached a copy of a January 31, 2015 resolution of Brooke's Board of
16 Directors specifically naming Robert T. Hardcastle as the individual authorized to represent it before
17 the Commission in this docket.

18 On February 11, 2015, Navajo filed a Response to the Staff Report in which it contests four of
19 Staff's recommendations in the December 19, 2014 Staff Report.

20 A procedural conference should be scheduled to allow the parties to discuss the processing of
21 the Rate Application given the existence of contested issues.

22 IT IS THEREFORE ORDERED that a **procedural conference** in the above-captioned matter
23 shall commence on **February 20, 2015, at 1:00 p.m.**, or as soon thereafter as is practical, in Hearing
24 Room No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007.

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IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 13th day of February 2015.


TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 13th day of February 2015 to:

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